GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2814
ANSWERED ON:30.03.2012
PORTABILITY IN SAVING BANK ACCOUNTS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to introduce portability in individual saving bank accounts across the country; and

(b) if so, the details thereof alongwith the objective behind such a move?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a)and(b): Damodaran Committee was set up by Reserve Bank of India (RBI) on May 26, 2010 to look into banking services rendered to retail and small customers. The Committee submitted its report to RBI on July 04, 2011. The Committee has recommended that customer should be allowed to maintain the same account number in a bank even when he/she moves to another city or shifts his account to another branch in the same city. RBI has taken action on the recommendations submitted by the Damodaran Committee and in October, 2011 advised Indian Banks` Association (IBM; for implementation of the above recommendation. RBI has also stated that provisions of Prevention of Money Laundering Act (PMLA) and Rules do not support account portability between banks as records pertaining to identity of a client has to be maintained by the bank establishing relationship with the customer for a period of 10 years from the date of cessation of the transactions between the client and the bank.